

# Realty Trust Review

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## THE END OF COMMODITY PRICING FOR TRUSTS

Trust shares have risen virtually across the board in the past month and while this has coincided with the pickup in the overall market, it also appears that the era of commodity pricing (see RTR, July 21) is drawing to a close. Our quotations on pages 7-8 show that 59 trust shares rose in price in the month while only 10 declined. One was unchanged and one is newly listed. But a careful reading of the quotations shows that trusts whose operating records are now becoming clear rose much more sharply than those of newer trusts. The oldest mortgage mortgage trusts, Continental and First, rose 19% and 16% respectively while new arrivals like First Penn and Cousins declined. Mortgage Investment Group scored the best gain, 45.8% on news it would become a bank-affiliated trust (page 5) and early second generation trusts like Associated, Midland, Larwin and Republic scored impressive gains. Overall the Paine-Webber trust index rose 11.5% to its highest point since last April.

Trust dividend disbursements are proving to put a solid floor on trust share prices. Our tally indicates that 59 trusts are paying dividends at an \$158.3 million annual rate in the most recent quarter, a total that excludes nine newly issued trusts that have yet to make initial declarations and three trusts (Kavanaugh, Prudent and Universal) which have omitted payouts. It also excludes Mutual REIT, whose shares declined 17.4% last month on news trustees were deferring action on any further distributions at this time. But many of the widely advertised problems of early summer are fading and we would expect shares of well managed trusts to respond further as their operating records fill in.

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## LEVERAGING IN A DECLINING MONEY MARKET: WHO AND HOW MUCH?

The Sept. 21-22 slash in the prime rate to  $7\frac{1}{2}\%$  underscores the big moves downward in the overall money markets. Cynics may dismiss the prime cut as carrying more symbolic than real value but this view overlooks the very substantial relaxation in short-term money markets this year, as shown graphically by the St. Louis Federal Reserve Bank (see cut).

This descent from the money market summits is so reminiscent of the 1967 market that it is time to wonder if short-term rates may not turn upward again soon. We believe any quick turnaround isn't in the cards this time because the steam has gone out of the corporate capital spending boom. Many, many corporations took on short-term debt last year to fund capital improvements and the drive to fund these loans is continuing to keep pressure on long-term markets. But with manufacturers now operating below 78% of capacity, lowest point in nearly 10 years, and profits weak, there is no real groundswell of support for massive new industrial spending. Capital requirements by local and state governments, public utilities and the mortgage market likely will keep this pressure on long-term markets, but the desire of corporations to build some liquidity augurs well for continued short-term easing of rates.

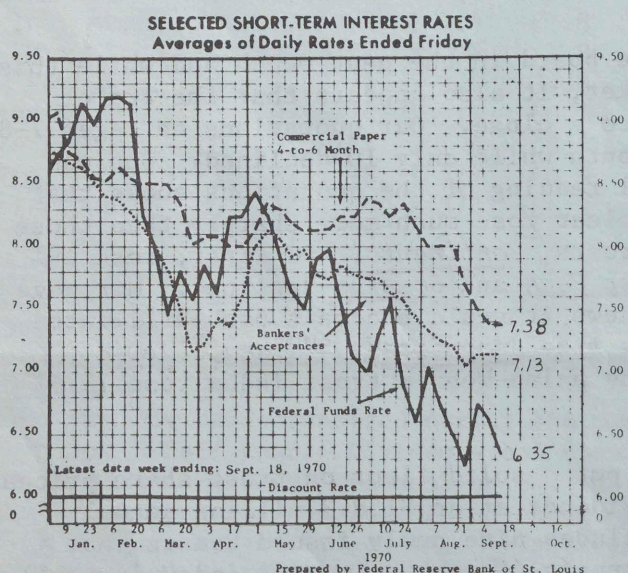
For the realty trusts, and most especially the short-term construction mortgage trust, the question then is how well they can perform in this new environment. Since construction loan yields have historically been tied to New York prime, portfolio yields of mortgage trusts may be expected to soften in time, although portfolio yields have in the past tended to move downward much more slowly than money costs because construction loans typically extend over 12 to 18 months. This week several key trusts reported loan demand still heavy and rates generally firm, although some softening

on the order of 100-150 basis points (1.0 to 1.5%) has occurred in some geographic regions. On an historical basis, Continental Mortgage's spread (the difference between portfolio yields and interest expense) widened by 36 basis points from the last quarter to 1966 to the second quarter of 1967 as portfolio yields declined by 20 basis points and interest expense by 56 basis points. First Mortgage had much the same experience, although portfolio yield was distorted by a changing mix.

During that period CMI and FMI, then the only two national mortgage trusts, began increasing leverage moderately as interest rates bottomed in mid 1967 and were able to originate enough loans to keep their expanding capital base profitably invested. This time, with the number of mortgage trusts now sharply higher, there is real question about the ability of all trusts to be able

to increase leverage in their capital structures. And for those trusts with borrowing power, there is the second question of whether they can originate loans in sufficient volume and quality to make leveraging effective.

With over 40 mortgage trusts now operating, sorting out the really strong contenders is no easy task. Since nearly all trusts are sponsored by commercial banks, mortgage bankers, and life insurance companies, and other institutions, nearly all trusts have established relations with funding sources in banks, commercial paper





markets and, recently, overseas sources. Many of the trusts established in 1968 and 1969 have already moved themselves into modest leveraging positions, so they may be in a position to continue leveraging. And if portfolio yields diminish, further debt leveraging may be necessary to maintain earnings per share and dividend payouts constant. We present below a list of trusts with their most recent debt and equity positions, and while this list is not all inclusive, it does illustrate the great latitude for leveraging available to the newer of the second generation trusts, in millions:

----Debt----				Debt/	----Debt----				Debt
Trust-Date	Equity	Long	Short	Equity	Trust-Date	Equity	Long	Short	Equity
Established trusts					Lower leverage continued				
Cont.Mtg.-June	\$39.4	\$216.1	\$ 50.9	6.8-1	Colwell-June	\$16.8	\$--	\$ 1.5	0.1-1
First Mtg.-July	50.1	73.5	101.8	3.5-1	Diver.-June	116.2	31.5	--	0.3-1
Moderate leverage					Fidelity-July	38.0	--	25.0	0.7-1
Assoc.Mtg.-Mar.	20.5	11.7	9.5	1.1-1	Fraser-May	17.6	--	6.1	0.3-1
Chase Man.-Aug.	61.9	45.2	33.9	1.3-1	Galbreath-June	16.0	--	8.1	0.5-1
Guardian-June	30.5	13.7	22.9	1.2-1	Larwin-March	37.4	--	2.7	0.1-1
General-June	13.8	--	13.4	1.0-1	Lomas & Net.-Aug	45.8	--	21.1	0.5-1
Lincoln-June	9.9	1.0	--	1.1-1	Midland-June	18.6	--	11.7	0.6-1
Lower leverage					Mtg.Tr.Am.-May	60.6	--	2.0	0.03-1
Amer.Cen.-June	27.5	18.1	--	0.7-1	Mtg.Tr.Wash-June	14.1	6.0	2.8	0.6-1
Atico Mtg.-July	16.1	--	--	--	Mtg.Tr.Grp.-June	45.8	--	32.9	0.7-1
Barnett-June	23.5	--	1.9	0.1-1	No.Am.Mtg.-June	53.3	--	4.1	0.1-1
Cam-Brown-June	41.4	--	--	--	Palomar-May	14.2	--	2.0	0.1-1
Capital-June	18.2	--	1.9	0.1-1	Repub.-June	30.6	--	13.1	0.4-1
Citizens-June	19.7	--	--	--	Sutro-June	25.4	--	9.1	0.4-1
City Inv.-July	64.1	11.5	6.5	0.3-1	Unionam.-May	23.2	--	--	--
					Western-May	8.9	--	2.3	0.3-1

A good portion of long-term debt shown above is convertible, and when senior debt is compared to capital funds (equity plus subordinated debt), some of the high ratios shown above fall. First Mortgage, for instance, carries a 1.38-1 ratio of debt to capital funds and Continental's is a modest 0.5-1.

Still, the table makes clear that newer trusts have been able to leverage through short-term debt more easily than has generally been believed. Too, the roster of trusts with moderate leverage includes several smaller trusts, contradicting the belief that only larger trusts can leverage. Of the five trusts now with debt approximately equal to shareholders' equity--i.e., a 1-1 debt-equity ratio--Associated and Lincoln achieved this level with debt offerings. Guardian has used a combination of short-term bank lines and commercial paper along with debentures. General has reached its position in part by pledging \$4.48 million of construction loans to secure bank lines.

The most rapid showing is by Chase Manhattan Trust, which achieved almost instant leverage by selling \$45.2 million of debentures in its June 4 offering and following with almost immediate issuance of commercial paper. Since few other bank-sponsored trusts are included in our table because their operating life is still too brief, the Chase example is being taken as typical of the leverage a bank sponsored-trust may achieve. Our tabulation of trust securities on pages 7-8 indicates that investors are according these trusts a somewhat higher valuation than independent or other trusts.

Among other trusts with debt-equity ratios over 0.5-1, American Century and Mortgage Trust of Washington achieved theirs through debenture offerings while Fidelity, Galbreath, Lomas & Nettleton, Midland and Mortgage Investment Group have reached this level through bank and commercial paper borrowings. MIG, whose management company has tentatively agreed to be acquired by Conill Corp., Chicago one-bank holding company, would presumably be able to reach higher leverage when and if its affiliation with a bank becomes effective. We believe Chase Manhattan Trust and North American Mortgage Investors have special appeal at this time. A pending offering prevents our commenting on Associated at this time.



Chase Manhattan Mortgage & Realty Trust has just reported its first quarter of operations and despite its brief life already has vaulted to the ranks of premier trusts. Since listing on the NYSE, its shares have proven to be among the most actively traded trust issues. As a consequence the shares carry the higher P/E ratio among mortgage trusts at 20.1 and their indicated yield of 5.6% on the first quarter dividend is sub-par for the group.

# STATISTICAL RECORD

N.Amer.Mtg.(ASE)		Chase Man.Tr.(NYSE)	
Quarterly share earn.		Fully diluted	
Mar. '70	\$0.43	Aug. '70	0.38
June '70	0.46	Nov. '70	0.42-45
Sept. '70	E0.48	Feb. '71	0.46-49
Dec. '70	E0.50-51	May '71	0.48-5-3
	E1.87-1.88		1.74-1.85

## Capitalization

6/30/70		
\$4,050,000	Short-term debt	\$33,900,000
---	Subordinated debt	45,200,000
3,903,136	Shares	2,802,000
22.25	Recent price	30.25

Why the interest in Chase shares? In a word, leverage. The Chase trust has been in the commercial paper market almost from its first day and at Aug. 31 had about \$33 million in commercial paper. The trust has established bank lines but so far management has not called upon them. The trust says it has experienced no difficulty in selling commercial paper and in fact has had to turn down prospective buyers. With commercial paper rates still falling--6 3/4%-6 7/8% for direct placed paper--plus the benefits of an initial issue of \$45.2 million of 6 3/4% convertibles, Chase clearly has demonstrated capability for significant debt leveraging. While the trust could likely report much higher earnings very quickly, it is our belief that trustees instead will concentrate upon developing a longer-term record of earnings growth through gradual increasing of debt leverage. Earnings targets of \$2.00, \$3.00 and \$4.00 per share in the first three fiscal years appear likely to us, although many things can happen and these are not to be taken as projections.

Chase earnings of \$0.38 for the August quarter fully diluted (\$0.44 primary) were based upon only 82 days operations, indicating a fully diluted earnings rate of about \$0.41/share. We estimate earnings for the May 1971 fiscal year could approximate \$1.75-\$1.90 per share fully diluted. While the shares appear high and the potential for conflicts of interest between the trust and the bank's mortgage department pose unusual risks, the shares are a worthy longer-term commitment.

North American Mortgage Investors has already gone through one leveraging cycle and can thus be counted among the industry's few veterans of leveraging. The trust was changed from a property-ownership company early in 1969 through a private placement of convertibles which were converted in the first quarter of this year. In the second quarter the trust received a prime rating for commercial paper and now has \$7.9 million outstanding on a direct placement basis. NAMI has bank lines of \$24.5 million, of which \$1.5 million are presently drawn. Recently it borrowed \$5 million from Hill Samuel & Co. of London at 10 3/4%. Proceeds are being used to carry subordinated land loans of matching term, locking in about 300 net basis points for the trust.

NAMI is managed by Sonnenblick-Goldman Corp., a New York headquartered mortgage broker that is among the nation's largest. While some have questioned the capability of a mortgage broker to underwrite loans, to date S-G originations have not given rise to any major troubles. NAMI has first call on all S-G originations, which amounted to \$1.0 billion in loans reviewed in the first half, about 10 times the amount needed by NAMI. The trust has moved to split trustee and origination functions (RTR Aug. 21). Management estimates earnings of \$1.85-\$1.90 this year (which we concur with) and \$2.15 to \$2.30 per share for 1971, based largely upon commitments already made. Although the shares are about 66% over book value, they are reasonably priced at 12 times annualized current earnings and should show further progress.



## BACKLOG OF TRUST OFFERINGS BUILDS AGAIN

After dwindling a bit in recent months, the supply of proposed trust offerings is starting to rise sharply as both new and operating trusts move offerings into the pipeline. The rise prompted Cornelius Rose, Jr., the thoughtful chairman trustee of North American Mortgage Investors, to tag "the unlimited supply of trust offerings" as the industry's biggest problem in an appearance before the New York Society of Security Analysts Sept. 21. And as we have noted before, the biggest single obstacle to higher share prices for existing trust holders has been that lengthy calendar of new offerings.

Specifically, only two trusts bowed in the past month for a total \$24.4 million, an 18.6% cutback from initial filings, bringing the number of new trusts offered this year to 19 for \$792.65 million (\$579.95 million equity). Last year new trust offerings amounted to \$750.0 million. REALTY TRUST REVIEW's exclusive listing of major trust shares has now grown to 71 issues.

But the shelf of new offerings continues to groan. New filings during the month included Equitable Life Mortgage and Equity Investors, a \$100 million offering including \$50 million in converts; U.S. Leasing Realty Investors, a \$50 million offering, and a \$15 million filing by First of Denver Mortgage Investors. Combined with withdrawal by Cavanagh Mortgage and Federal Street Mortgage, the shelf of new issues now stands at \$772.23 million. Operating trusts are emboldened by the better tone to overall markets, and have filed new offerings: Associated Mortgage is seeking a \$10 million issue of four-year debentures plus warrants to buy 100,000 shares and Great American Mortgage Investors is planning an issue of 20-year convertibles plus warrants. Republic and Alison also have debentures in the SEC mill, bringing this category to \$66 million.

Underwriters have tentatively slated Holiday Inns Investors (\$150 million, originally set for late August), Citizens & Southern Mortgage Investors and BT Mortgage Investors (\$50 million and \$25 million respectively, RTR, Aug. 21), General Growth Properties (\$9 million, RTR, June 22) and the Alison debentures for offering through the first week of October. But the tougher new rules adopted by the Midwest Blue Sky Commissioners (RTR May 20) have slowed the process of qualifying trusts in many states and hence underwriters' schedules are highly fluid. The new issues:

Date	Trust	Offering	Price	Gross proceeds (mil.)		
				Equity	Debt	Total
8/28	Fidelco Growth Inv.	800,000 sh.	\$25	\$20.0	--	\$20.0
9/4	Stadium Realty Tr.	440,000 sh.	10	4.4	--	4.4
TOTALS				\$24.4		\$24.4

Fidelco Growth Investors, seeks to invest primarily in long-term mortgages, with a variable return where possible. Fidelity Corp. of Pennsylvania, one-bank holding company with \$1.5 billion assets, is sponsor. A mortgage banking subsidiary, 80% owned Latimer & Buck, is advisor. Howard Petersen, Fidelity Bank chairman, heads the trustees and J. Harris is president of the advisor. Address: 1700 Market St., Philadelphia, Pa. 19103.

Stadium Realty is a trust formed specifically to construct a 53,000-seat stadium in Foxboro, Mass. between Boston and Providence, R.I. The stadium, said to be the nation's first privately constructed football stadium in 40 years, is to be leased to the Boston Patriots professional football team for 50 years. The stadium site has been donated to Foxboro, subject to certain legal changes, and is expected to be tax-exempt. The single-purpose trust is the brainchild of Phil David Fine, managing trustee and chairman of commonwealth Bank & Trust Co. of Boston, a six-year old bank with \$50 million assets. Address: One State St., Boston, Mass.

## REALTY TRUSTS AT WORK: NEW ENTRY ROUTE FOR BANKS

Group Counselors, Inc., management company for Mortgage Investors Group of Los Angeles, has tentatively agreed to be acquired by Conill Corp., the Chicago one-bank

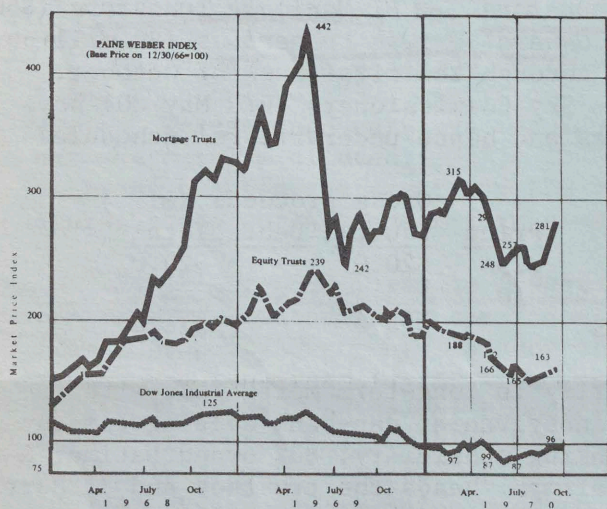


holding company of Continental Illinois National Bank. No purchase price was disclosed and because of approvals the sale probably won't be closed till year-end.

The deal has far-reaching implications that major banks do not have to start their own operations to enter the trust field. More importantly, the sale is palpably the result of the pressure on independents created by the entry of the major bank trusts. MIG had been created by a group headed by James D. Harper Jr., aggressive former mortgage officer for Union Bank of Los Angeles, to compete in the big leagues of mortgage lending. MIG's growth plans were slowed by the Chase entry combined with the almost simultaneous cash flow problems of Great Southwest Corp., a Penn Central group company that had several loans from MIG. Sale of Great Southwest's Leadership Homes Division to Cerro Corp. this week has effectively cleaned up MIG's worries here and the Conill tie will materially strengthen MIG's hand in borrowing. Although the shares were last month's largest gainer with a 45.8% spurt, they still are priced near book value and at 19 bid have good value.

Shareholder liability: We are advised that trust shareholders in Kentucky do not have personal liability for trust obligations. In "The Audit Guide to Investing in Realty Trusts," we stated that Kentucky shareholders may have personal liability.

Transactions: Realty Income Trust (ASE) has given Amfac Properties a lease-purchase option on 1,500 acres of raw land near San Diego. RIT acquired a 50% ownership in 1964 for about \$1,000/acre. Amfac will lease the land for 10 years with an option to buy it for \$7,500 per acre....First Union (ASE) has agreed to buy a half interest in West Virginia's first enclosed mall shopping center, the 418,000 net square foot Middle-Town Mall in Clarksburg for \$2.1 million.



#### MOST ACTIVE TRUSTS

	Sh. (00)	Close	Change
Week of Aug. 21			
First Mtg.	493	22 7/8	+2 1/4
Conn. Gen.	328	22 3/8	+1 5/8
Cont. Mtg.	230	15 1/4	+1 1/4
Repub. Mtg.	226	13 1/2	- 3/8
Diver. Mtg.	212	19 3/4	....
Average closing price:		\$18.75	

	Sh.(00)	Close	Change
Week of Aug. 28			
Chase Man.Tr.	1,246	28 7/8	New
Diver. Mtg.	696	20 1/2	+ 3/4
Repub. Mtg.	444	14	+ 1/2
First Mtg.	x428	23	+ 5/8
Conn. Gen.	351	22 3/4	+ 3/8
Average closing price:			\$21.83
Week of Sept. 4			
Midland Mtg.	570	10 3/4	+ 5/8
Chase Man.Tr.	553	29 1/8	+ 1/4
Diver. Mtg.	366	23	+2 1/2
Atico Mtg.wts.	310	2 5/8	+ 3/8
Security Mtg.	297	13 1/4	+1 1/8
Average closing price:			\$15.75
Week of Sept. 11			
Chase Man.Tr.	346	29 3/4	+ 5/8
Atico Mtg.wts.	265	2 5/8	....
Cont. Mtg.	244	16 1/8	- 1/4
Guardian Mtg.	235	28	+3 3/8
Security Mtg.	226	13	- 1/4
Average closing price:			\$17.90
Week of Sept. 18			
Diver. Mtg.	499	23 1/4	+ 3/4
Cont. Mtg.	463	17 3/4	+1 5/8
First Mtg.	450	23 5/8	+ 5/8
Security Mtg.	419	14 1/4	+1 1/4
Chase Man.Tr.	381	30 1/2	+ 3/4
Average closing price:			\$21.88



## TRUST STOCK QUOTATIONS

Trust-Quoted	Shares (000)	Book Val.	-Dividend- Last Ann*	-Latest earnings Period EPS. Ann*	Cash Flow+	Price 9/21	Mo.% Chng.	P/E Ratio*	Est. Yield*
Alison Mtg.-ASE	935	18.36	0.45 1.80	July Q 0.39	1.56 ----	x17.50	+ 0.4	11.2	10.3
Am.Cent Mtg.-ASE	1,417	19.42	0.47 1.88	June Q 0.47	1.88 ----	19.63	+17.2	10.4	9.6
Am. Fletcher-OTC	540	22.71	0.55 2.20	July Q 0.59	2.36 ----	22.75	+13.8	9.6	9.7
Am. Realty-ASE	983	6.57	0.15 0.60	June Q 0.11	0.44 ----	7.00	+ 2.1	15.9	8.6
Amico Prop.-OTC	1,679	4.53	---- 0.45	July Q 0.10	0.40 0.56	5.13	- 8.9	f 9.2	8.8
Assoc. Mtg.-ASE	840	21.12	0.50y 2.00	June Y	2.99a----	29.13	+15.9	9.7	6.9
Atico Mtg.-ASE	1,182	13.66	0.30 1.20	July Q 0.31	1.24 ----	12.00	+ 5.5	9.7	10.0
Bank Amer.-OTC	2,560	e18.35	Offered 7/16/70 at \$20 (adj.)			21.13	+ 5.7	----	----
Barnett Mtg.-WSJ	1,275	18.40	0.21i 0.84	June Q 0.245i	0.98	15.00	+11.1	15.3	5.6
Benef.Std.Mtg.-OTC	755	e18.08	Offered 7/17/70 with one wt. at \$20			17.25	+ 4.5	----	----
Cam. Brown-WSJ	1,750	23.01	0.52 2.08	June Q 0.54	2.16 ----	20.38	+ 8.7	9.4	10.2
Capital Mtg.-WSJ	1,000	18.13	0.35 1.40	June Q 0.39	1.56 ----	16.75	+ 9.8	10.7	8.4
Chase Man.Mtg.-NYSE	2,802	22.10	0.43i 1.72i	Aug. Q 0.38ai	1.52ai---	30.63	+17.8	20.1	5.6
Citinat.Dev.-OTC	600	18.60	0.35 1.40	June Q 0.30i	1.20i---	15.38	- 3.1	12.8	9.1
Citizens Mtg.-WSJ	1,407	14.02	0.24 0.96	June Q 0.26	1.04 ----	11.00	+ 4.8	10.6	8.7
City Inv.-WSJ	3,405	18.83	0.35 1.40	July Q 0.35	1.40 ----	x15.00	+11.6	10.7	9.3
Colwell Mtg.-WSJ	905	18.61	0.40 1.60	June Q 0.44	1.76 ----	17.25	+ 3.0	9.8	9.3
Conn.Gen.Mtg.-NYSE	3,075	17.92	0.36 1.44	June Q 0.33i	1.32 ----	23.88	+16.5	18.1	6.0
Cont. Mtg.-NYSE	13,264	2.97	0.23 0.92	June Q 0.24	0.96 ----	17.00	+19.3	17.7	5.4
Cousins Mtg.-OTC	2,135	e18.21	Offered 8/12/70 at \$20			19.13	- 3.1	----	----
Denver REI-WSJ	1,091	9.82	0.15 0.60y	June H 0.31	0.62b 1.18b	8.50	- 1.4	f 7.2	7.1
Diver.Mtg.-NYSE	6,038	19.25	0.42 1.68	June Q 0.43	1.72a----	x23.38	+20.5	13.6	7.2
Fidelco Growth-OTC	864	e21.94	Offered 8/28/70 with 1/2 wt. @ \$25			23.50t			
Fidelity Mtg.-WSJ	2,005	18.33	0.45 1.80	July Q 0.60	2.40 ----	x18.50	+ 1.1	7.7	9.7
First Mtg.-NYSE	3,853	13.01	0.45 1.80	July Q 0.40a	1.60 ----	x24.00	+16.4	15.0	7.5
First Penn Mtg.-OTC	1,610	e18.15	Offered 7/22/70 at \$20 incl. 1/2 wt.			17.88	- 0.7	----	----
First Union-ASE	3,573	9.32	0.21 0.84	July Q 0.16	0.64 0.90m	10.00	- 1.2	11.1	8.4
Franklin Rlt.-ASE	910	10.78	0.19 0.76	June Y ----	0.66 NA	x 9.88	+10.3	15.0	7.7
Fraser Mtg.-WSJ	1,038	16.97	0.56 2.24	Aug. Q 0.56	2.24 ----	x23.50	+14.2	10.5	9.5
Galbreath-WSJ	700	22.84	0.52 2.08	June Q 0.53	2.12 ----	25.00	+12.4	11.8	8.3
General Mtg.-WSJ	1,000	13.83	0.27 1.08	June Q 0.58	1.12 ----	10.38	+ 6.4	9.3	10.4
Goodrich Inv.-OTC	1,211	9.43	0.15 s 0.90	June Q 0.15i	0.60i 0.68	7.88	+ 8.7	f11.6	11.4
Gould Inv.Tr.-WSJ	1,323	8.24	w	Mar. H ----	0.96x	5.25	+ 1.1	f 5.5	----
Grt.Am.Mtg.-WSJ	1,257	20.69	0.23M 2.76	July Q 0.64	2.56 ----	x36.00	+ 7.8	14.1	7.7
Greenfield RE-WSJ	498	15.19	0.40 1.60	Apr. H 0.53	1.06 2.02	17.00	+ 3.0	f 8.4	9.4
Guardian MI-ASE	21,269	24.18	0.72 2.88	Aug. Q 0.71a	2.84a----	27.88	+21.9	9.8	10.3
Hotel Inv.-OTC	375	e15.00	Offered 8/12/70 at \$20 (adj.)			19.13	- 3.1	----	----
Hubbard REI-NYSE	4,004	23.22	0.36 1.44	July Q 0.45	1.80 ----	x21.00	+ 5.5	11.7	6.9
Kavanau RE-ASE	1,553	3.94	Div. omitted	June6M 0.01	0.02 0.61m	7.25	+11.5	f11.9	----
Larwin MI-WSJ	2,005	18.69	0.41 1.64	June Q 0.43	1.72 ----	18.13	+25.0	10.5	9.0
Lincoln MI-WSJ	1,110	8.89	0.16 0.64	June Q 0.15i	0.60 ----	x 7.38	- 2.8	12.3	8.7
Lomas & Net.-WSJ	1,840	24.02	0.65y 2.60	June Q 0.65	2.60 ----	28.63	+ 5.0	11.0	9.1
Medical Mtg.-WSJ	1,345	24.12	0.60 2.40	June Q 0.52	2.08 ----	x18.75	+ 4.6	9.0	12.8
Midland Mtg.-ASE	1,640	11.36	0.33 1.32	June Q 0.33	1.32 ----	12.25	+24.0	9.3	10.8
Mobile Hm.Com.-OTC	1,063	8.49	----	May Q 0.13	0.52 0.76	7.63	+29.8	f10.0	----
MONY Mtg.Inv.-OTC	5,020	8.89	0.19i 0.76i	Aug. Q 0.21	0.84 ----	10.25	+18.8	12.2	7.4
M&T Mtg. Inv.-OTC	773	e 9.92	Offered 8/4/70 with two wts. at \$11			9.75	+ 5.4	----	----
Mtg.Inv.Gp.-WSJ	2,480	18.45	0.45 1.90	June Q 0.48	1.92 ----	19.38	+45.8	10.4	9.6
Mtg.Inv.Wash.-OTC	1,016	13.87	0.30 1.20	June Q 0.33i	1.32 ----	12.00	+ 9.1	9.1	10.0
Mtg. Tr. Am.-WSJ	3,174	19.09	0.45 1.80	Aug. Q 0.50	2.00 ----	19.13	+11.6	9.6	9.4
Mutual REIT-WSJ	1,433	6.76	New div.def.	June Y ----	d0.08 0.11	2.38	-17.4	f21.6	6.3
Nat.Mtg.Fd.-WSJ	663	9.15	0.27 1.08	Aug. Q 0.25a	1.00a	x 8.75	+ 3.1	8.8	12.3
Nat. Realty-ASE	1,271	11.91	0.20 0.80	June Q 0.10	0.40 0.84	10.38	+15.3	f12.4	7.7
No. Am.Mtg.-ASE	3,903	13.39	0.46 1.84	June Q 0.46	1.84 ----	22.25	+16.3	12.1	8.3
Palomar Mtg.-WSJ	604	22.87	0.63 2.52	Aug. Q 0.68	2.72 ----	24.75	+ 3.1	9.1	10.2



Trust-Quoted	Shares (000)	Book Val.	-Dividend- Last Ann*	-Latest earnings Period EPS. Ann*	Cash Flow+	Price 9/21	% Chng.	P/E Ratio*	Est. Yield*
Penn REIT-ASE	1,122	8.36	0.40 0.80	May Q 0.80 1.08	1.11m	10.50	+ 5.0	f 9.5	7.6
Prudent Rest.-ASE	3,000	4.75	Div. Susp.	June Q 0.02 0.08	0.80m	9.88	+27.5	f12.4	----
REIT AM.-ASE	1,567	21.61	0.33 1.32	Aug. Q 0.34 1.36	1.46m	19.63	+ 4.0	f13.4	6.7
Realty Inc.Tr.-ASE	1,216	14.84	0.25 1.00	July Q 0.31 1.24	-----	11.50	0.0	9.3	8.7
Repub.Mtg.-ASE	1,678	18.39	0.40 1.60	June Q 0.44 1.76	-----	16.38	+23.6	9.3	9.8
Riviere Rlty.-OTC	783	9.26	0.22 0.88	Dec. Y ---- 0.57	0.79	8.00	+16.3	f10.1	11.0
Saul (B.F.)-WSJ	3,530	10.53	0.27 1.08	June Q 0.23 0.92	-----	12.75	+ 7.3	13.9	8.5
Security Mtg.-ASE	3,278	8.77	0.21 0.84	June Q 0.20 0.80	-----	14.00	+36.6	17.5	6.0
Sutro Mtg.-ASE	1,734	14.65	0.375 1.50	June Q 0.38 1.52	-----	17.13	+22.3	11.3	8.8
Unionam.MI-OTC	1,255	18.70	0.35 1.40	May Q 0.35 1.40	-----	17.38	+10.3	12.4	8.1
Universal-OTC	1,000	4.47	Div. Susp.	June H 0.03 0.06	-----	2.25	- 5.5	37.5	----
U.S. Realty-ASE	2,461	9.96	0.35 1.40	June Q 0.24 0.96	1.60	16.75	+ 1.5	f10.5	8.4
Wachovia RI-WSJ	3,340	18.31	0.50 2.00	Aug. Q 0.50 2.00	-----	20.25	+ 8.0	10.1	9.9
Washington REIT-WSJ	765	8.35	0.20 0.80	Mar. Q ---- fo.28	1.12	9.25	+ 5.7	f 8.3	8.6
Wells Fargo-OTC	3,760	e18.22	Offered 6/30/70	with wt.for ½ sh.at\$20		17.88	+ 3.7	----	----
Western MI-WSJ	1,000	8.85	0.14 0.56	May Q 0.14 0.56	-----	6.75	+28.6	12.1	8.3

Trust	WARRANTS			Conv. Prem.	CONVERTIBLE DEBENTURES				
	Exercise terms	Price			Issuer	Conv.@	Price	Yield	Cov*
Amer. Fletcher	\$25 - 1/31/75	3 1/2	+25.3		Amer.Century 7s'90(ASE)	21	92.38	7.58	8.68
Atico Mtg.	15 - 12/31/74	2 1/2	+45.8		Amer.Realty 7s 1984	13	65	10.77	NR
Barnett Mtg.	20 - 4/ 1/80	3 1/8	+54.2		Assoc.Mtg.6 1/2s'83	22	118	5.51	3.13
Benef. Std.Mtg.	20 - 7/14/75	2 7/8	+32.6		BankAmer.Mtg.6 3/4s'90	21	100	6.75	NR
Cameron-Brown	25 - 11/15/76	3 1/8	+38.0		Chase Man. 6 3/4'90	26	114	5.92	NR
Capital Mtg.	20 - 11/25/74	2 7/8	+36.6		Conn.Gen.(NYSE)6 3/4'90	22	104.75	6.44	NR
Citinat. Dev.	20 - 4/15/75	2 3/4	+48.0		Cont.Mtg.(NYSE)6 1/4'90	22	89.50	6.98	1.82
Citizens Mtg.	15 - 12/10/74	2 1/2	+59.1		Diver.Mtg.6 1/2s'89	23	99	6.57	5.71
City Inv. Mtg.	20 - 12/ 1/74	3 1/8	+54.2		First Mtg.(NYSE)6 3/4'85	24	98.25	6.87	1.55
First Mtg. Inv.	11½- 12/15/77	12	- 3.1		Frank Rl.(ASE)7s'89	10	96	7.29	f1.36
First Penn.Mtg.	20 7/23/74	2 1/8	+23.8		Guardian Mtg.(ASE) 8s	25	110	7.27	2.00
Midland Mtg.	12½- 9/30/74	3 3/8	+29.6		Hotel Inv.7 3/4s'90	21	91	8.52	NR
Midland Mtg.	10 - 8/26/74	2 7/8	+68.9		Lincoln Mtg.8s'90	11	80	10.00	1.75
Mobile Hm.Comm.	10 - 8/31/75	2 3/8	+57.7		MONTY Mtg. 7s'90	11	92.75	7.55	NR
M&T Mtg.	13 - 8/31/75	2 3/8	+57.7		Mtg.Inv.Wash.8s'90	15	92	8.70	2.91
Mtg. Inv. Gp.	20 - 4/ 2/74	6	+34.2		Pennsylvania 6 3/4'84	14	75	9.00	f1.29
Mtg. Inv.Wash.	15 - 3/ 5/75	2	+41.7		Pennsylvania 6 1/4'79	12 1/2	70	8.93	f1.29
Mtg. Tr. Am.	19 - 11/ 6/74	4 1/4	+21.6		US Rlty.(ASE)5 3/4'89	5 1/4	66.50	8.65	f2.12
No. Amer.Mtg.	24 - 12/ 2/74	5 7/8	+34.3						
Republic Mtg.	20 - 6/30/74	4 1/8	+47.3						
Unionamer. Mtg.	20 - 12/31/74	3 3/8	+34.5						
Wells Fargo Mtg.	20 - 7/ 1/74	2 3/4	+27.2						

Earnings and dividends reported during the past month are underlined.

\*-Q-Quarter; H-Half-year. Dividends and earnings are annualized by appropriate multiplication of latest quarter without seasonal adjustment. Annualized trust dividends and estimated yields are not guaranteed annual rates, since trust dividends depend upon earnings and are subject to change. +Operating income plus non-cash charges less mortgage amortization. a-Fully diluted. b-Before capital gains: Denver REIT, \$0.49; REIT America, \$0.67. c-Bid on stock not traded. d-Deficit. e-Estimated from prospectus. f-Based on cash flow as defined. i-Initial quarter, may be less than full 90 days. m-For latest fiscal year. NA or NR-Not available or not reported. t-Units of 1 sh. and ½ warrant. w-12 sh. of VTR, Inc., for each 100 shares held, payable Sept. 28 to shares of record Aug. 28, evaluated at 2½ per VTR sh. x-Ex dividend during month. y-Plus specials: Denver REIT, \$0.15; Associated Mtg., \$0.0625 extra and \$0.045 capital gain; Great Amer., \$0.19; Lomas & Nettleton, \$0.22. z-Estimated after conversion on June 30. Quotations: Closing price on listed stocks, bid prices on issues quoted in Wall Street Journal daily (WSJ) or OTC, other over-the-counter issues supplied by William Harman. - Evans & Co., Members NYSE. Convertibles: \*Increases to \$17 on Feb. 14, 1973. \*\*Interest coverage, or ratio of earnings to interest expense. For mortgage trusts, net income is added to interest expense and the total divided by interest expense. For equity trusts, marked "f", the ratio denotes cash available to total fixed charges.